

Message Text

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73

ACTION EUR-12

INFO OCT-01 ISO-00 EB-07 FEA-01 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07

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FM AMEMBASSY LONDON

TO SECSTATE WASHDC 3488

AMCONSUL EDINBURGH

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E.O. 11652: N/A

TAGS: ENRG UK

SUBJECT: NORTH SEA OIL: TOUR D'HORIZON WITH MINISTER
FOR ENERGY DICKSON MABON

1. DURING LUNCHEON CONVERSATION, RECENTLY APPOINTED
MINISTER FOR ENERGY DICKSON MABON COMMENTED ON MAJORITY
STATE PARTICIPATION NEGOTIATIONS, OFFSHORE PROCUREMENT
POLICY AND HIS DESIRE TO RESCHEDULE POSTPONED VISIT TO
THE UNITED STATES.

2. MABON SEEMED PLEASED WITH DEAL GOVERNMENT HAS REACHED
WITH BP ON MAJORITY STATE PARTICIPATION. HIS FACE
WREATHED IN SMILES, HE SAID BP AGREED WITH GOOD GRACE TO
MEMORANDUM OF PRINCIPLES AFTER "ONLY 27 HOURS OF SOLID
NEGOTIATION." HE ADDED HOWEVER THAT BP ARRANGEMENT IS
NOT NECESSARILY INTENDED TO SERVE AS A MODEL FOR OTHER
COMPANIES, SPECIFICALLY SHELL AND ESSO. QUESTIONED IN
THIS REGARD AS TO WHETHER BNOC ALSO WOULD WANT TO HAVE
A NON-VOTING INVOLVEMENT IN SHELL OR ESSO'S REFINING

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AND MARKETING ACTIVITIES, MABON WAS INCLINED TO ACCEPT

OUR SUGGESTION THAT ONE "TEACHER"--BP--WOULD BE ENOUGH, BUT ENERGY PERMSEC SIR JACK RAMPTON WAS QUICK TO POINT OUT HMG MIGHT WANT BNOC TO OBTAIN INFORMATION ON WHOLE RANGE OF UK REFINING AND MARKETING OPERATIONS, THUS REQUIRING A LOOK SEE AT SHELL AND ESSO OPERATIONS AS WELL. (COMMENT: OUR IMPRESSION IS THAT MABON WAS NOT ENTIRELY FAMILIAR WITH THIS ASPECT OF HMG'S NEGOTIATING POSTURE. HE APPEARED TO ACCEPT RAMPTON'S "CLARIFICATION." END COMMENT)

3. EC MIN BROACHED SUBJECT OF HMG OFFSHORE PROCUREMENT POLICY, NOTING THAT EMBASSY WISHED TO UNDERLINE IMPORTANCE USG ATTACHES TO "FULL AND FAIR OPPORTUNITY" FOR UK SUPPLIER FIRMS BEING PURSUED BY OFFSHORE SUPPLIES OFFICE WITHOUT ANY OVERTONES OF PRESSURE OR ARM TWISTING TO BUY BRITISH. HE OBSERVED THAT, WHILE WE HAVE NOT RECEIVED ANY FORMAL COMPLAINTS FOR SOME TIME ABOUT UNDUE PRESSURE FROM OFFICE OF OFFSHORE SUPPLIES, ON A NUMBER OF OCCASIONS CONTRACTORS HAVE COMPLAINED UNOFFICIALLY OF AN EXCESS OF ZEAL IN OSO PRESSING FOR PREFERENCE TO BE GIVEN UK FIRMS. EC MIN MADE CLEAR, IN RESPONSE TO MABON'S COMMENT ON ALLEGED PROTECTIONIST POLICIES OF USG, THAT, WITH SINGLE LONG-STANDING EXCEPTION OF JONES ACT, WHICH AFFECTS VERY SMALL PERCENTAGE OF TOTAL MARKET, USG PLACES NO RESTRICTIONS WHATSOEVER ON ABILITY OF PRIVATE INDUSTRY TO BUY FROM OVERSEAS SUPPLIERS IN OFFSHORE EQUIPMENT SUPPLY AND SERVICES MARKET. RAMPTON SAID, AS HE HAS TOLD US PREVIOUSLY, THAT ONLY INSTANCES OF UNDUE PRESSURE OF WHICH HE IS AWARE WERE CASES OF OVER-ENTHUSIASTIC OFFICIALS IN OSO WHICH HAD BEEN CORRECTED WHEN COMPLAINTS WERE BROUGHT TO ATTENTION OF DOE. IT WAS AGREED EMBASSY AND DEPARTMENT OF ENERGY WOULD CONTINUE TO KEEP EACH OTHER INFORMED OF ANY INSTANCES OF POSSIBLY IMPROPER BEHAVIOR IN THIS CONTEXT.

4. MABON REGRETTED THAT HIS PROPOSED TRIP TO US IN EARLY MAY HAD BEEN CANCELLED OWING TO PRESS OF PARLIAMENTARY BUSINESS. HE HOPES TO RESCHEDULE VISIT TO HOUSTON AND OTHER AREAS SOME TIME LATE SEPTEMBER OR EARLY OCTOBER.

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SPIERS

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Message Attributes

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